



**The Independent Electricity System Operator, in its  
capacity as the Smart Metering Entity**

**Application for approval of a Smart Metering Charge for  
the years 2023 to 2027 and related matters**

**DECISION ON ISSUES LIST**

**June 2, 2022**

The Independent Electricity System Operator (IESO), in its capacity as the Smart Metering Entity (SME), filed an application with the Ontario Energy Board (OEB) on March 31, 2022, under subsections 27(7), 78(2.1), (3.0.1), (3.0.2) and (3.0.3) of the *Ontario Energy Board Act, 1998*, Ontario Regulation 453/06 made under the *Ontario Energy Board Act, 1998* and subsection 53.8(8) of the *Electricity Act, 1998*.

As part of its application, the SME filed a draft issues list. Procedural Order No. 1 provided for OEB staff and intervenors to comment on the draft issues list and for the SME to respond to those comments.

**Proposed new issue: Staffing Level Forecast**

OEB staff noted that the SME draft issues list does not include an issue on the staffing level forecast. The current application proposes an increase of three Full Time Equivalent (FTE) (from 20 currently to 23 in 2023).<sup>1</sup>

In the previous SME Charge application,<sup>2</sup> the SME proposed an increase of three FTEs (17 in 2017 to 20 in 2022) and the following issue was included on the Approved Issues List: "Are the forecast staffing levels appropriate and reasonable?".<sup>3</sup>

OEB staff proposed that the OEB include the issue in this proceeding to allow for discovery on the SME's proposed staffing level forecast.

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<sup>1</sup> Exhibit B, Tab 1, Schedule 1, pp. 3-4

<sup>2</sup> EB-2017-0290, SME Application, August 31, 2017, Exhibit B, Tab 1, Schedule 1, p. 3

<sup>3</sup> EB-2017-0290, SME Approved Issues List, November 23, 2017

The Electricity Distributors Association (EDA) supported and the SME accepted OEB staff's submission to include the additional issue.

## Findings

The OEB has amended the draft issues list to add OEB staff's proposed addition respecting forecast staffing levels.

### **Proposed amendment to Issue 1: Is the Independent Electricity System Operator, in its capacity as the SME (SME), proposed \$137.5 million revenue requirement for the January 1, 2023 to December 31, 2027 period appropriate?**

The EDA submitted that the SME's proposed issue 1 should be amended to reference the type and level of activities that the SME will perform each year.

The EDA proposed that issue 1 be revised as follows: "Is the Smart Metering Entity's (SME) proposed \$137.5M revenue requirement for the period January 1, 2023, to December 31, 2027, appropriate for the type and level of activities that the SME will perform?".

The SME opposed the amendment to issue 1 as the amendment did not provide additional clarity.

## Findings

The OEB does not find it necessary to amend issue 1 as proposed by the EDA as the underlying activities are necessarily considered in the quantification of the revenue requirement for the period.

### **Proposed amendment to Issue 5: Are the projections for installed smart meters appropriate?**

The EDA submitted that the SME's proposed issue 5 should be amended to reference the range of years supporting the forecast of installed meters. The EDA proposed that issue 5 read as follows: "Is the SME's forecast of installed smart meters in the 2023-2027 period based on appropriate data and a sound methodology?".

While the SME did not object to this proposal, the SME stated that its forecast is based on the number of smart meters reported to the OEB by distributors and published annually by the OEB in its *Yearbook of Electricity Distributors*.

## Findings

The OEB has amended issue 5 as proposed by the EDA. This will enable parties to challenge and propose an alternate to the current methodology for forecasting the number of smart meters. As noted by the SME, the current methodology is based on data sent in to the OEB by distributors and published annually by the OEB as part of the *Yearbook of Electricity Distributors*.

### **Proposed new issues: SME's Third-Party Access (TPA) Activities and \$145/Hour Charge**

The EDA proposed the addition of two new issues related to the SME's TPA activities and financial impacts of the \$145/hour TPA charge. The TPA program, including its associated costs, was the subject of a recent application (TPA Proceeding) by the SME in which a settlement was reached by all parties and approved by the OEB on March 24, 2022.<sup>4</sup> The TPA Proceeding, amongst other things, proposed the expansion of third-party access to de-identified smart meter data to Canadian Governmental Entities. In the TPA Proceeding, the SME agreed to charge \$145/hour to recover costs to fulfill requests for access to de-identified electricity consumption data.

The EDA submitted that if issue 1 of the draft issues list does not currently address TPA activities, the EDA proposed that the following issue be added to the final issues list: "What Third-Party Access activities will the SME carry out in 2023 - 2027 and are the associated costs appropriately included in the SME's proposed \$137.5M revenue requirement for that period?". The EDA submitted that it is necessary to establish either that the existing statement of the issue subsumes a review of TPA activities, or that the OEB include a new issue statement to address TPA activities.

The EDA submitted that if issues 2 and/or 6 of the draft issues list do not currently address financial impacts of the TPA \$145/hour charge, the EDA proposed that the following issue be added to the final issues list: "What are the financial consequences of the SME charging Canadian governmental entities \$145/hour to perform TPA activities? Is the SME's proposed accounting, and recording of the proposed Operating Reserve Balancing Account, appropriate?".

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<sup>4</sup> EB-2021-0292

The SME opposed the addition of both issues proposed by the EDA. The SME stated that the OEB-approved settlement from the TPA Proceeding, including its associated costs, included a provision for the tracking of costs and revenues associated with the TPA program. The SME stated that it does not see value in adding these issues to the current proceeding given the OEB-approved settlement in the TPA proceeding.

## Findings

The OEB does not find it necessary to add the two new issues proposed by the EDA related to the TPA program. The OEB finds that the EDA can utilize the interrogatory process to request more information on the TPA account over and above the information provided by the SME in Exhibit B, Tab 3, Schedule 1, page 3, as part of issues 7 through 9 which deal with the SME's Operating Reserve Balancing Account.

## Proposed new issue: Customer Satisfaction Survey

Niagara-on-the-Lake Hydro Inc. (NOTL Hydro) requested that the following issue be added to the issues list: "Should the Smart Meter Entity perform a customer satisfaction survey?".

The SME submitted that the additional issue proposed by NOTL Hydro should not be included in the issues list. The SME stated that it is not clear to the SME what the purpose, if any, of such a survey would be or how such a survey would assist the OEB in its decision-making related to this application.

## Findings

The OEB finds that such an undertaking (if not already contemplated by the SME as a result of the OEB decision in the TPA proceeding) is certain to add to the SME's expenses and is unlikely to add probative value in assisting the OEB with determining the SME's revenue requirement in this proceeding. Nevertheless, NOTL Hydro may wish to explore this matter via interrogatories.

## Submissions from Other Parties

The Consumers Council of Canada, Environmental Defence, Energy Probe and Vulnerable Energy Consumers Coalition indicated that they had no comments on or suggested alterations to the proposed draft issues list.

**THE ONTARIO ENERGY BOARD ORDERS THAT:**

1. The Issues List attached as Appendix A is approved.

**DATED** at Toronto, **June 2, 2022**

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar

**SCHEDULE A**

**ISSUES LIST**

**DECISION ON ISSUES LIST**

**Smart Metering Entity**

**EB-2022-0137**

**June 2, 2022**

## **Schedule A: Approved Issues List**

1. Is the Independent Electricity System Operator, in its capacity as the Smart Metering Entity (SME), proposed \$137.5 million revenue requirement for the January 1, 2023 to December 31, 2027 period appropriate?
2. Is the proposed Smart Metering Charge (SMC) of \$0.43 per smart meter per month appropriate?
3. Is the proposed January 1, 2023 effective date for the SME fee appropriate?
4. Is the proposed five-year term, January 1, 2023 to December 31, 2027, for the SMC appropriate?
5. Is the SME's forecast of installed smart meters for the 2023 to 2027 period based on appropriate data and a sound methodology?
6. Are the forecast staffing levels appropriate and reasonable?
7. Is the proposal to establish the Operating Reserve Balancing Account appropriate?
8. Is the proposal to retain \$2.5 million in the Operating Reserve Balancing Account as an operating reserve for the SME appropriate?
9. Is the proposal to return to ratepayers any year-end balance in the Operating Reserve Balancing Account, exceeding \$2.5 million and which results in a rebate to ratepayers of \$0.05 per meter or greater, three months after the filing of the SME's annual report with the Board on April 30<sup>th</sup> appropriate?